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**FISCAL IMPACT STATEMENT**

**LS 6695**

**BILL NUMBER: SB 177**

**NOTE PREPARED:** Feb 6, 2003

**BILL AMENDED:**

**SUBJECT:** Pari-Mutuel Racetrack Shares of Riverboat Revenue.

**FIRST AUTHOR:** Sen. Server

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill requires that the part of the Riverboat Admissions Tax distributed to racetracks be equally divided among each racetrack.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** The bill requires Riverboat Admission Tax revenue earmarked for Hoosier Park and Indianapolis Downs racetracks to be divided equally. Thus, the bill would not affect the overall share of Riverboat Admission Tax distributed to the owners of Hoosier Park and Indianapolis Downs racetracks. However, the bill could potentially affect the division of Admission Tax revenue between the owners of the two racetracks in 2004.

Under current law, \$0.65 of each \$3 Riverboat Admission Tax is distributed to the Indiana Horse Racing Commission (IHRC). Current law specifies the purposes for which the IHRC is to distribute this money, including to pari-mutuel racetracks approved by the IHRC. In addition, current law allows the IHRC to determine the amount to be spent on each purpose. Under current IHRC rules, 40% of the Admission Tax revenue is to be divided between the two racetrack owners. An equal division is to occur in 2003. In 2004, however, only half of the racetrack funds will be divided equally between the two racetrack owners. The other half is to be divided in proportion to the total purses generated from live and simulcast betting handle at each owner's racetrack and satellite facilities. This rule expires on December 31, 2004.

Based on the FY 2002 Admission Tax distribution to the Horse Racing Commission totaling \$27.2 M, the amount going to the racetracks should total about \$10.9 M annually in 2003 and 2004. Divided equally, each racetrack would receive about \$5.45 M each year.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Horse Racing Commission.

**Local Agencies Affected:**

**Information Sources:** 71 IAC 12-2-15(b)(4).

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